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Best regard,



Ritsuko Hashimoto Behr
Manager, Administration
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JETRO Chicago **Midwest** NEWSLETTER

Illinois • Indiana • Iowa • Kansas • Michigan • Minnesota • Missouri • Nebraska • North Dakota • Ohio • South Dakota • Wisconsin

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Food Safety Act has Significant Impact on Food Exported to the U.S.



Director's Dialogue

*Daisuke Kojo
Director of Agriculture,
JETRO Chicago*

In January 2010, President Obama signed the Food Safety Modernization Act (FSMA), which would have a significant impact on the food safety system. According to the Centers for Disease Control and Prevention, there are approximately 76 million food borne illnesses a year, resulting in 324,000 hospitalizations and 5,000 deaths. The FSMA represents the most significant change in food safety law in 70 years, and contains 50 provisions to change the existing food safety system.

One of the biggest changes for food producers intending to export their food to the U.S. is the new preventive control requirement. FSMA Section 103 requires that owners, operators and agents of the facilities subject to the Bioterrorism Act registration requirement evaluate hazards, identify controls to minimize risks, prevent adulteration and maintain records documenting their reports. This provision takes effect on July 4, 2012.

Another important change by FSMA is the introduction of "The Foreign Supplier Verification Program," which becomes effective January 4, 2013. FSMA Section 301 requires each importer (defined as the owner or agent of the food at the time of entry into the U.S.) to perform

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Confirming strong ties between the U.S. and Japan: 2011 Japan-Midwest U.S. Association Conference

The 43rd Japan-Midwest U.S. Association Conference was held in Tokyo from September 25 to 27 with about 300 participants. Under the theme "Innovation in a Changing Global Economy" and the sub-theme "Post 3/11, Rebuild & Grow," we had very lively discussions.



From the Chief Executive Director

*Tatsuhiko Shindo
Chief Executive Director,
JETRO Chicago*

Key participants from Japan included: Keiro Kitagami, Vice Minister of the Ministry of Economy, Trade and Industry; Yukiko Kada, Governor of Shiga; Kensaku Morita, Governor of Chiba; Kiyoshi Ueda, Governor of Saitama; Shomei Yokouchi, Governor of Yamanashi; Kuninori Matsuda, Consul General of Japan in Detroit; and Hironori Sawada, Deputy Consul General of Japan in Chicago. Key figures participating from the U.S. side included: John Roos, the U.S. Ambassador to Japan; Pat Quinn, Governor of Illinois; Terry Branstad, Governor of Iowa; Rick Snyder, Governor of Michigan; Mark Dayton, Governor of Minnesota; Becky Skillman, Lieutenant Governor of Indiana; and Rick Sheehy, Lieutenant Governor of Nebraska. It turned out

See "Chief Executive Director," page 8

Monozukuri Seminar set for Detroit Area on Thursday, December 8

The latest in JETRO's highly-regarded series on the Monozukuri manufacturing philosophy is scheduled for Thursday, December 8, 2011, just outside of Detroit, Michigan.

The program, "Japan's Automotive Industry: Achieving Recovery and Growth through Monozukuri," will take place from 11:45 a.m. - 5:00 p.m. at the Suburban Showplace Collection, 46100 Grand River Avenue in Novi, Michigan.

The Great East Japan Earthquake that struck on March 11 had a devastating impact on the Japanese manufacturing community, as several key global parts and component supplier companies were directly affected and disrupted by the disaster.

The crisis spurred an unprecedented recovery effort from Japanese industry. Through intensive collaboration and the shared mindset of Monozukuri - the spirit of manufacturing - Japanese automotive suppliers and OEMs raced around the clock to rebuild factories and recover production much quicker than anticipated.

In this seminar, you will hear perspectives from Japanese OEMs and parts suppliers on how they were affected by the March disaster, how crisis and recovery management played out both in Japan and the U.S., and on the future prospects for growth and opportunity. Attendees will learn first-hand about the Mindset of Monozukuri as a way to encourage future collaboration between the U.S. and Japanese automotive communities.

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JETRO Around the Midwest

Seminars, Meetings and Events



JETRO had an exhibition booth at the Center for Automotive Research (CAR) Management Briefing Seminars, August 1-4 in Acme, Michigan. Above left, Tomonori Shibahara, JETRO Chicago with Jay S. Baron, President and CEO, CAR. Above right, Shibahara is with David Cole, Ph.D, Emeritus Chairman, CAR.



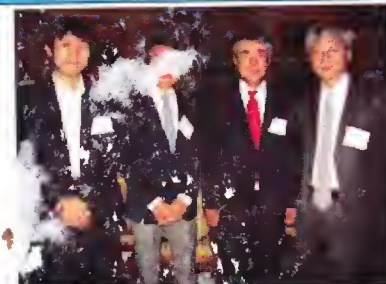
Roy Verstrate, President and CEO, Anchor Danly (center) with his team members hosted JETRO Chicago's Tomonori Shibahara and Ralph Inforzato (2nd and 3rd from left), along with Sam Takashima, Toyota Motor North America Inc., (2nd from right) to a visit at Anchor Lamina, a leading manufacturer of ball bearing assemblies in Bellaire, Michigan on August 2.



Illinois Governor Pat Quinn welcomed JETRO Chicago's Tatsubiro Shindo and Kelly Highland to his office on August 23.



Nebraska Governor Dave Heineman (left) welcomes JETRO's Stephen R. Vullo, during the recent "Reverse Trade Mission."



On Tuesday, August 23, the Japan America Society of Chicago (JASC), in cooperation with the Consulate General of Japan at Chicago and supported by JETRO Chicago, presented a luncheon address by Dr. Motoshige Itoh, Professor, Graduate School of Economics and Faculty of Economics, The University of Tokyo. Above, Professor Itoh (right) is joined by (from left) Daisuke Kojo, Tomonori Shibahara and Tatsubiro Shindo of JETRO Chicago.



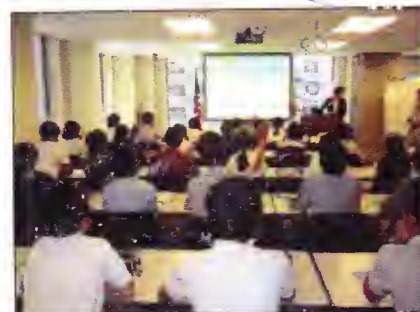
During a recent visit to Chicago, Tatsubiro Shindo (center) met with Nebraska Lt. Governor Rick Sheehy (left), and Omaha Mayor Jim Suttle (right).



As part of their study program at Hope College in Holland, Michigan, students from Meiji Gakuin University spent a day in Chicago, including a Global Management Seminar at the JETRO Chicago office, on Tuesday, August 16. Students, faculty and JETRO staff are pictured above.



During their recent trip to Japan, Tatsubiro Shindo and Ralph Inforzato caught up with Shinichi "Scott" Saito, Former Executive Director at JETRO Chicago & Former Ambassador to Nicaragua.



Junior high school students from the Futabakai Japanese School Summer Study Group in Arlington Heights, Illinois, visited the JETRO Chicago office on August 26.

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Why Leverage a Japanese/Japanese American Relationship



Guest View

Bob Kumaki
Managing Principal,
The Ronin Group

With the devastating Tohoku earthquake and tsunami earlier this year, we witnessed an outpouring of relief funds for Japan from a wide variety of organizations, among them, virtually every Japanese American (JA) group in the country.

This seemed perfectly right and natural. JA organizations not only wanted to assist as good global citizens, but also in helping relatives, friends and a country of their common ancestors. However, as I reflected on this humanitarian effort, I realized that this countered the cultural and social separation of Japan and Japanese Americans which so many JAs grew up recognizing.

Why were there so few relationships between the Japanese and Japanese Americans, especially in the '60s and '70s? Why did so few JAs travel to Japan? As a professional, why did I recognize that the Japanese American diaspora was one only groups of its kind in the world that had few, if any, direct ties to their country of origin?

With most nationalities, no matter how many generations have separated you and your country of origin, you are still recognized as a part of the family. A Chinese American living in the U.S. since the 1800s still can find a home village in China. It is relatively simple for an American Jew to get citizenship in Israel. Yet, George Yoshinaga, a columnist for the *Rafu Shimpo*, one of the country's largest JA newspapers wrote, "The Japanese media doesn't go out of its way to recognize Japanese American achievements. Probably because the people of Japan don't recognize Japanese Americans." What's different about the situation with Japan?

The geopolitics of the mid-20th century forced many Japanese Americans to shed their own overt Japanese ethnicity and quickly assimilate into an America dominated by white European cultural values. Due to the war, Japan and Japanese Americans were effectively cut off from one another, an action that is still being felt today. Japan currently represents the lowest immigration percentages of all Asian countries with established U.S. ethnic groups and Japanese Americans have the fewest ties to their ancestral homeland of all Asian American communities. However, the pressures of the global economy and resurgence in cultural interest taking place among the 3rd and 4th generation JAs offers opportunities for both the Japanese and Japanese Americans to re-connect.

Japan is facing an aging workforce, a need for skilled workers, a drop in foreign educational exchanges, and the perception of a lessening importance in the U.S. relative to China and India. JAs, as a subset of all U.S. workers, are facing the issues of unemployment, rising costs of goods and services, and the uncertain outlook of the American economy.

Can Japanese Americans, who are predominantly college-educated, white-collar professionals, assist in aiding Japan Inc.? Can they be a resource for Japanese companies doing business in the U.S. in virtually every industry and profession? Can they assist in helping Japanese workers acclimate to the American business environment and promote Japan as the U.S.'s most important trading partner? Can Japan become a new market for JA skills, businesses and employment? In all cases, yes.

But it's not just in the business world that we can help each other. I find that my Japanese friends are fascinated with the JA experience and how the Japanese culture has evolved in the U.S. Meiji-era references in language, cultural events not often practiced in modern Japan (e.g. mochi making), being a minority vs. living in a homogeneous society and questions of loyalty to the U.S. during the war are all of great interest. Japanese Americans are more interested than ever in the export of "cool Japan" culture. Both can find common ground in a culture driven by family, education and hard work.

So how can we make connections? First, make a friend. The mission of the Japan America Society of Chicago is to "create and promote Japanese and American friendships." It's as simple as that. Business relations, cultural exchanges, and educational programs all come second. Groups using terms like "nonpartisan," "fostering bilateral relations," and "dialogue promoting social interaction" only serve to obfuscate this simple idea.

Go for coffee. Go to lunch. Play a round of golf. Few Japanese businesses would work with an American company with whom they did not have a personal relationship. So too, individual Japanese and Japanese Americans. Develop the relationship. Then look for the business, social and cultural opportunities that only friends can bring each other.

Bob Kumaki is the Managing Principal of the Ronin Group, specializing in brand positioning, creative development and global marketing. One of the country's foremost authorities on Asian American marketing, he is the author of Many Cultures, One Market: A Guide to Understanding Opportunities in the Asian Pacific American Market. He can be reached at rkumaki@roningrp.net.

JETRO provides business information updates following The Great East Japan Earthquake

JETRO will continue to provide updated information on conditions affecting business following the recent earthquake in the Tohoku region.

The JETRO headquarters website has set up a special page at <http://www.jetro.go.jp/en/earthquake/>. You'll find many links to programs and services and localized updates on conditions.

JETRO USA also has set up a page of information, articles and relevant links at <http://www.jetro.org/content/925>.

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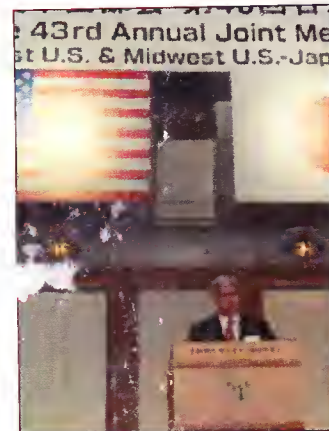
43rd Annual Joint Meeting of The Midwest U.S. - Japan Association and The Japan - Midwest U.S. Association



Nebraska Lt. Gov. Rick Sheehy, Indiana Lt. Governor Becky Skillman; Hon. James R. Thompson, U.S. Conference Chairman, Senior Chairman, Winston & Strawn & Former Governor of Illinois; Yuzaburo Mogi, Japan Conference Chairman, Honorary Chairman, Kikkoman Corporation; Michael Langley, Chief Executive Officer, Greater MSP (Minneapolis St. Paul Regional Economic Development Partnership); Hironori Sawada, Acting Consul General, Consulate General of Japan at Chicago



Indiana Lt. Governor Becky Skillman with Former JETRO Chairman Yasuo Hayashi



Michigan Governor Rick Snyder



Kazuo Inazu, President & COO, Kikkoman Foods, Inc.; Isshi Asai, JETRO Tokyo; Tatsuhiro Shindo



Illinois Governor Pat Quinn at the State of Illinois Breakfast



Minnesota Governor Mark Dayton



Iowa Governor Terry Branstad, Michigan Governor Rick Snyder, Former JETRO Chairman Yasuo Hayashi

We're in this Together: Reflections on the 2011 JMWA/MWJA Conference

By Jennifer Kocs, International Trade Representative, Minnesota Trade Office

Support and Solidarity—those were the themes of this year's annual joint meeting of the Japan-Midwest U.S. Association (JMWA) and the Midwest U.S.-Japan Association (MWJA).

While always important, this year's conference carried special weight in light of the March earthquake, tsunami, and resulting nuclear incident in Japan. Four governors, including Minnesota Governor Mark Dayton, and two lieutenant governors made the trip to Tokyo, and all gave voice to the Midwest's feeling that Japan is more than another market. The relationship we have crosses cultural, educational, business, and political boundaries, so this year's event was an opportunity to celebrate our friendship and let our Japanese colleagues know that the Midwest stands with them as they rebuild.

For those who wonder how life in Japan has changed in the last six months, I was surprised to see how little was different. I noted small inconveniences—the Narita Express doesn't run for a few hours in the middle of the day and rooms were warmer than most Americans like, since air conditioning in many places was set at 82 degrees Fahrenheit. But more was the same than different. Service in Japan is still spectacular, people are well-mannered, and most things go as planned.

There was, however, one notable difference: The outpouring of support the world has shown Japan since the catastrophes of March seems to have imbued a usually reserved people with greater warmth and openness, a quicker smile, and a more sincere wish to build on a relationship. If there could be an upside to their ordeal, then it would be this invitation for us to grow even closer to our Japanese colleagues and friends.

As the host state for the next Annual Joint Meeting, scheduled for September 16-18, 2012, we in Minnesota look forward to welcoming all of you, and continuing to celebrate the special ties that Japan and the Midwest share.



James R. Thompson, U.S. Conference Chairman, Senior Chairman, Winston & Strawn & Former Governor of Illinois, talks with Pat Quinn, Governor of the State of Illinois

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Tatsubiro Shindo with Iowa First Lady Chris Branstad, and Iowa Governor Terry Branstad



Yasuo Hayashi, JETRO Chairman & C. O., JETRO; Theresa Kulczak, Executive Director, Japan America Society of Indiana; Tatsubiro Shindo, Chief Executive Director, JETRO Chicago

Indiana Delegate recounts experiences at the Conference, and during visit to Tohoku Region

By Theresa Kulczak, Executive Director, Japan-America Society of Indiana

In the many years that I've interacted with Japan, the trip this past September was one of the most meaningful in that it helped me to appreciate anew the resilience, strong spirit, and sincere nature of the Japanese people. The primary purpose of the trip was to participate in the State of Indiana's economic development mission led by Indiana Lt. Governor Becky Skillman, comprised of four mayors, business executives, and economic development representatives. In total 28 delegates were privileged to receive a special briefing from JETRO-Chicago's Chief Executive Director Tatsubiro Shindo who met with us in Indianapolis prior to our departure.

During the delegation's week in Japan, while based in Tokyo, the Indiana delegation conducted a full schedule of business meetings and receptions in Ota City (Gunma Prefecture), the home of Fuji Heavy Industries (Subaru) and its supplier network and in Nagoya, the Toyota and AISIN corporate networks. In Tochigi Prefecture, Indiana's "Sister State", we were hosted by Tochigi Governor Tomikazu Fukuda. As Lt. Governor Skillman commented during our many meetings, "We want our friends in Japan to know that we are committed and stand by them in times of crisis as well as in times of calm." The Japanese company executives in return expressed their gratitude for Indiana's support as well as that of the United States' in Japan's time of struggle and need following the March 11th disasters. The "Friends of Indiana Reception" which was held in Nagoya, was one of the largest in the state's history of Japan investment missions, with well over 200 attendees.

The Indiana mission was anchored around the 2011 Japan-Midwest U.S. Association's 43rd Annual Conference held in Tokyo. Thanks to the leadership of the respective associations, Chairman James Thompson and Marie Gaudette on the U.S. side, and Chairman Yuzaburo Mogi and the Kikkoman Corporation staff on the Japan side, the Midwest conference was the only regional meeting held this year due to the impact of the natural disasters. Within the context of Japan's efforts to recover, the conference served as a vehicle for reaffirming our mutual commitment to the Japan-U.S.-Midwest relationship. Throughout the conference, the speakers expressed sorrow



Nebraska Lt. Governor Rick Sheehy

Bill Dory, Executive Director, Greencastle/ Putnam County Development; Mayor Susan Murray, City of Greencastle, Indiana and Yasuo Hayashi



View from the Nebraska Delegation

By Marisa Ring, Manager, International Business Development, Greater Omaha Chamber of Commerce

Every year the Midwest U.S. – Japan Association provides attendees great networking opportunities at receptions and dinners, new information, ideas and perspectives through quality conference sessions, and the chance to reconnect with old friends and acquaintances. The 2011 meeting was no different in this regard.

What was special about this conference was the number of Midwest representatives who traveled to Tokyo for this conference to demonstrate their commitment to Japanese friends and business partners. During his speech, American Ambassador Roos noted the "unshakable relationship" between the two countries, and this idea was seen throughout the conference as business leaders discussed how innovation can improve both businesses and countries.

Each year that I attend this meeting, I am impressed with the quality of information presented. From discussions about the Trans-Pacific Partnership to Teijin's introduction of Smart Communities, attendees have the opportunity to hear firsthand from companies whose innovative products and technologies will continue to influence global markets.

It is always a pleasure for me to travel to Japan and meet with colleagues there. The opportunity to learn about the goals and successes of Japanese companies is invaluable, as is the chance to introduce them to Omaha and Nebraska. I also appreciate the chance to meet with the headquarters of companies who have invested in Nebraska. One example is Q.P. Corporation, which has its North American headquarters in Omaha. A delegation from Nebraska, led by Lieutenant Governor Rick Sheehy, was able to meet with representatives from Q.P. to discuss their experience in our state. These meetings are always very beneficial. This year's Nebraska delegation also included Koji Nagasaka of the Nebraska Center Tokyo, who has been working very hard to help introduce Japanese and Nebraskan companies for potential business partnerships.

I was pleased to participate in the 2011 Midwest U.S. – Japan Association Annual Meeting on behalf of the Greater Omaha Chamber. I found all aspects of the event to be very useful and I look forward to the next conference in Minnesota, as well as my next trip to Japan.

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Good-bye and Hello at JETRO Chicago



Tatsuhiko Shindo and Akihiro Takahashi

In September, JETRO Chicago said good-bye to our summer intern Akihiro Takahashi, who graduated from the University of Iowa in the spring. During his time at JETRO Chicago, Akihiro worked with the Agriculture section to promote Japanese food products in the Midwest. All of us at JETRO Chicago wish him continued success in his career.

In October, JETRO Chicago welcomed two new staff from Japan, Nobuaki Yanagisawa and Tatsuya Fukuda. Mr. Yanagisawa is on special assignment to JETRO from the Saitama Prefectural Government. He will be with

JETRO Chicago for one year as a Professional Associate and work with the Business Development team. Mr. Yanagisawa is a graduate of Meiji University and has been with the Saitama Prefectural Government since 1996.

Mr. Fukuda is on assignment from the Japan Petroleum Energy Center (JPEC) and will head the JPEC Chicago office within JETRO Chicago. JPEC supports energy-related policymaking in Japan and promotes petroleum-related technology information exchanges between Japan and North America. Mr. Fukuda will be in Chicago for 3 years and will conduct research on energy trends in North America. Mr. Fukuda graduated from Keio University in 1995 and is on loan from JX Nippon Oil & Energy.



Nobuaki Yanagisawa and Tatsuya Fukuda

JETRO names new Chairman and CEO

On October 1, 2011, Hiroyuki Ishige was installed as Chairman and CEO of JETRO.

Mr. Ishige graduated from the University of Tokyo with a degree in economics in 1974. He started his professional career at the Ministry of International Trade and Industry (MITI) the same year. After the reorganization of MITI to the Ministry of Economy, Trade and Industry (METI), he became Director-General of the Trade Policy Bureau in 2007, and then was appointed Vice-Minister for International Affairs of METI in 2008.



Special thanks to retiring JETRO Chairman Yasuo Hayashi for his support of JETRO Chicago activities. We were proud to have him in attendance at a number of JETRO events during his regular visits to the Midwest.

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The program will begin with welcoming remarks from Tatsuhiko Shindo, Chief Executive Director, JETRO Chicago, and opening remarks from Kuninori Matsuda, Consul-General of Japan in Detroit.

An included luncheon will feature an address from Neil De Koker, President & CEO, Original Equipment Suppliers Association (OESA).

Following lunch, the seminar (with simultaneous translation, English and Japanese) will begin with an address from a representative from JETRO Tokyo.

Program speakers scheduled include: Ted Kawashima, Director, Japan Auto Parts Industries Association (JAPIA), North America Office, Novi, Michigan; Nampachi Hayashi, Strategic Production Planning Group, Toyota Motor Corporation, Toyota City, Japan; Teruo Takahashi, Vice President, Vehicle Engineering, Nissan Technical Center North America, Farmington Hills, Michigan; Dave Thomas, Plant Manager, Keihin IPT Mfg., Greenfield, Indiana; and Hiromi Ikehata, President, Toyoda Gosei North America Corporation, Troy, Michigan.

A Question & Answer Session will be moderated by Glenn Stevens, Vice President, Sales & Marketing, OESA, Troy, Michigan

The program will be followed at 5:00 p.m. by a US-Japan Business Networking Reception, hosted by the Japan Business Society of Detroit (JBSD).

Advance registration is required for this event through OESA, with a registration form available at <http://www.oesa.org/Doc-Vault/PDFs/Events/11-25-Monozukuri.pdf>. For additional registration information, contact Felice Hickman at OESA at 248-952-6401 ext 237 or thickman@oesa.org.

The cost of the luncheon and seminar is \$50. The program will begin promptly at 11:45 a.m.

For program information or media inquiries, contact Kevin Kalb at JETRO Chicago: 312-832-6023 or Kevin_Kalb@jetro.go.jp. Event updates are also available at <http://www.jetro.org/novimz>.

Event Organizers include: JETRO Chicago, JAPIA, JBSD and OESA.

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and support for those who lost relatives, homes, and businesses in what Japan now calls "3/11".

At the conference, in addition to the themes of technological innovation and the importance of strategic alliances, a main focus of Japanese corporations that impressed me was the priority placed on environmental concerns, including energy saving, the development of renewable resources, and reducing the carbon footprint of businesses and manufacturers. Masamitsu Sakurai, Chairman of Ricoh Company, Ltd., sounded the clearest and most strident call for energy conservation, saying that every corporate decision no matter how large or small should be weighed by its impact on the environment.

The efforts of the Japanese to conserve and the effects of 3/11 were always within my awareness. The Japan Earthquake Relief Fund established by the Japan-America Society of Indiana became one of the largest funds among all of the Societies in the country, and therefore a goal of my trip was to gain a better understanding of the current situation and needs of the people in eastern Tohoku and I extended my stay to meet with relief organizations in Japan.

I spent two days in Ofunato, Iwate Prefecture, which was one of the towns hardest hit by the tsunami. Here, I spent an overnight at the basecamp of the All Hands volunteer organization, sleeping on the floor on a futon with the other volunteers. During my short stay, All Hands was involved in ten different relief projects, such as gutting homes, digging ditches, working in rice cooperatives, facilitating soil decontamination, removing debris, and rebuilding one of the only public parks that hadn't been repurposed for temporary housing. A special project of All Hands is the retouching of thousands of photos found in the debris, which often become the only reminder of family members lost in the tsunami. I was assigned to a "gutting crew" and spent the day removing dry wall and debris from the home of a Shinto priest that had been hit by the tsunami. The purpose of this activity was to reduce some of the steps of the repair process from overburdened carpenters. While traveling to this repair site we could see buildings, schools and hotels located several miles inland that were completely devastated. It was a mind-boggling reminder as to how far the tsunami wall flowed. The All Hands directors took me to Kessenuma, Rikuzentakata, and Koishihama, a fishing village which had lost its only pier and all but two of its sixty fishing boats. Six months after the disasters, professional Japanese demolition and construction crews were still hard at work in the region, clearing damaged structures and piles of debris. It was clear that although remarkable progress has been made in the clean-up, the healing and rebuilding of Tohoku will be ongoing for years.

At night the streets were noticeably dark except for a few izakayas and small groceries that had re-opened in response to the volunteer presence. Even though it was dark, there was a special aura of light and warmth between the local people of Ofunato and the volunteers, knowing that all had bonded and were dedicated to the same humanitarian effort. The appreciation of the local community, the spirit of camaraderie, and the ability to contribute a direct hand - as small as my hand might be in the total effort - was an immeasurably rewarding experience. I will never forget the incredible strength, determination, gentleness, humor, and the mutual respect of the Japanese people that I witnessed on the sixth month anniversary of the Tohoku devastation.

Two Important Reports Released

On August 11, 2011, JETRO released its 2011 "Global Trade and Investment Report." Some of the major findings include:

- Downside risks remain increasing for the world economy. The world economy recovered in 2010 and is expected to grow by 4.3% in 2011, according to June 2011 IMF estimates. Emerging countries, particularly in Asia, are leading this recovery.
- World trade in 2010 shows a 22.2% surge in recovery to 15.0 trillion USD.
- Global FDI in 2010 drops by 4.4% to 1.22 trillion USD.
- Japanese firms' overseas units account for 53.1% of their whole operating profits.
- The percentage of Japan's trade covered by FTAs increases up to 18.2% though the pace dips below that of neighboring Asian countries.
- Influences of the earthquake on exports were visible in industrial goods, including automobiles and semi-conductors, and in food, such as frozen fish, baby food and tobacco. Recovery of the supply chain system has been much faster than initially expected, and the export decline is beginning to bottom out.
- Japan's overseas business is leading the way to recovery.

For more information, please visit www.jetro.go.jp/en/news/releases/20110811498-news. And for a detailed report, a pdf download is available at http://www.jetro.go.jp/en/news/releases/20110811498-news/trade_invest_2011_outline.pdf.

METI releases a new survey on the status of Japanese industry following The Great East Japan Earthquake

Following the "Emergency Survey on the Actual Status of Industries after The Great East Japan Earthquake" announced on April 26, the Ministry of Economy, Trade and Industry (METI) conducted and compiled the results of the "The Second Emergency Survey on the Actual Status of Industries after The Great East Japan Earthquake" in order to understand the actual status of industries three months after the earthquake, the production level at the bases of the affected areas, the status of parts and components procurement as well as the impact of voluntary self-restraint in economic activities.

Look for more information, along with a link to a detailed downloadable PDF at http://www.meti.go.jp/english/press/2011/0801_03.html.

Contact JETRO Chicago

JETRO Chicago is located at 1 East Wacker Drive, Suite 600, Chicago 60601. Phone: 312-832-6000; Fax: 312-832-6066; website: www.jetro.org

For general information, call the number above, or for a specific inquiry, use the form at www.jetro.org (select "Contact JETRO" from the menu bar at left).



For Invest-in-Japan and robotics information contact Kevin Kalb, at kevin_kalb@jetro.go.jp.

Follow @jetrorobot on Twitter.

For biotech information, contact Robert Corder, at robert_corder@jetro.go.jp

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that four governors from Japan, and four governors and two lieutenant governors from the U.S. attended the conference. There is no other international conference this size where key figures representing prefectures and states in Japan and the U.S. and top business leaders get together. It was impressive to see governors from Japan and the U.S. all lining up on the stage.

Since this annual conference began in 1967, the Japan-Midwest U.S. Association Conference has contributed to the promotion of trade and investment between Japan and the U.S. During the conference, condolences and sympathy were expressed to the victims of the Great East Japan Earthquake. The Japanese side especially expressed deep gratitude for the support from the U.S. The Japanese side also expressed its condolences on the occasion of the 10th anniversary of the September 11 attacks. This year's Japan-Midwest U.S. Association Conference became a symbolic international conference to show domestically and internationally that both countries never concede to big disasters and that we all help each other to move toward recovery.

In the first plenary session, we had discussions under the theme "Innovative Approaches for Growth," and Yasuo Hayashi, Chairman & CEO of JETRO, served as the moderator. For Mr. Hayashi, this conference was his last important international conference before his retirement at the end of September. In the panel discussion, it was emphasized that promoting management innovation, such as innovative technology development and strategic alliances, will be the key. They pointed out that Japanese companies are good at advanced manufacturing and the number of patent applications is at the highest level in the world. However, the Japanese are weak at being innovative with regards to the process of developing technology and bringing it full-circle to create a beneficial enterprise. In a span of three sessions, top executives from large companies, such as Caterpillar, ADM, Dow Chemical, Duke Energy, 3M, Toshiba, Teijin, Toyota, All Nippon Airways, Mitsubishi, Mitsui Sumitomo Insurance, Ricoh, and Nomura Holdings, led lively discussions. Katsuaki Watanabe, Senior Advisor from Toyota Motor Corporation, one of the companies that represent Japan's manufacturing industry, stated that the production activity has finally returned to the

level before the earthquake thanks to the tremendous effort made by people who were involved. In addition, he talked about the new policy that advanced manufacturing is considering regarding the environment, energy, safety, and security, and that it will be important to speed up the future of innovation based on what we learned from the earthquake. In the discussion about free trade, panelists pointed out that we should re-recognize the merit of things not moving forward.

Ambassador Roos made a great speech affirming the strong tie between the U.S. and Japan. He talked about Japanese public opinion polls, in which 90% of Japanese citizens have positive feelings towards the U.S. He also talked about his experience visiting the disaster-stricken area after a mere 20 days following the earthquake. People were still retrieving bodies and he was shocked to witness such an unbelievable scene along the coastal area stricken by the tsunami. He said that he admired the Japanese people's perseverance, and when he talked about his experience of visiting local elementary schools and holding those students who survived, he brought the audience to tears. He firmly said, "our mission is to tell the world that Japan is safe and is worth visiting for businesses."

JETRO Chicago has been wholeheartedly supporting the Japan-Midwest U.S. Association Conference. I have personally met governors and lieutenant governors in each of the Midwestern states and have provided them with accurate information about Japan's effort toward recovery, as well as the current situations and perspectives of the Japanese economy. I am full of emotion as the governors and lieutenant governors from six states visited Japan all together responding to our request. JETRO Chicago is committed to continuing to support them with full efforts to make the Japan-Midwest U.S. Association Conference a success.

Next year's 44th Japan-Midwest U.S. Association Conference will be held in the U.S. The State of Minnesota will be the host and the conference will be held in Minneapolis from September 16 to 18, 2012. I highly expect our cooperative relationship will further expand based on the trusting relationship that both countries have been cultivating over the years.

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risk-based foreign supplier verification activities to verify food imported is (a) produced in compliance with the requirement of hazard analysis and risk-based preventive controls; and (b) is not adulterated or misbranded.

FSMA also requires FDA to increase inspection and to inspect 600 foreign facilities in the first year, and double the number of foreign inspections each year for the next five years. (9,600 foreign facilities in 2015) Because of the budget reduction debate at U.S. Congress, whether FDA inspections will increase as much as FSMA says is unclear; however, we should expect some increase of FDA inspections.

JETRO believes that Japanese food producers exporting their goods to the U.S. should anticipate additional paperwork, compliance costs and requests of information by the U.S. importers. JETRO also believes that the Japanese companies should start to prepare for the new requirements

although the details of new requirements are to be decided in the near future.

To tackle these new requirements, JETRO is providing information on background, general description and potential impact of FSMA to Japanese companies. I am mainly responsible for the FSMA research project. At a August 31 seminar in Shizuoka and a September 1 seminar in Tokyo, I spoke about FSMA to Japanese food industries. The Shizuoka seminar attracted 80 people and the Tokyo seminar attracted 130 people.

I believe that providing information about FSMA in a timely manner is the key for Japanese companies to comply with FSMA.

For more information, please visit the FDA FSMA website:
www.fda.gov/Food/FoodSafety/FSMA/default.htm